



MID-CAREER PLANNING FERS

PARTICIPANT GUIDE

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BENEFITS AGENDA

How much planning time do I have? Clues come from understanding the qualifying requirements for retirement:

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How much money will I have at retirement? Understanding the annuity computation will provide a good starting point:

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OPTIONAL RETIREMENT FERS

WHO ARE FERS EMPLOYEES?

Permanent employees hired after December 31, 1983 or rehired with a break in service of more than 1 Year and who had less than 5 years of CSRS coverage as of the date of rehire. Also, CSRS and CSRS-Offset employees who transferred to FERS during the 1987-1988 or 1998 Open Seasons.

On your last Personnel Action (SF-50), in the block for Retirement Plan (30), you will have a "K" if you are covered by FERS.

COST: 7.65% (Social Security @ 6.20% + 1.45% HITS Tax) (4.2% in 2012)
.80% To FERS Retirement Fund

8.45% Total cost to fund future annuity plus Social Security and
Medicare Part-A

NOTE 1: For new hires or some rehires after January 1, 2013, the rate for the FERS Retirement Fund is 3.1% for a total of 10.75%.

NOTE 2: For new hires or some rehires after January 1, 2014, the rate for the FERS Retirement Fund is 4.4% for a total of 12.05%.

Optional retirement eligibility **requires** attainment of qualifying **age and service**.

QUALIFYING COMBINATIONS

AGE	SERVICE
MRA	30 YEARS (INCLUDES CREDITABLE MILITARY SERVICE)
60	20 YEARS (INCLUDES CREDITABLE MILITARY SERVICE)
62	5 YEARS
MRA	10 YEARS (HOWEVER, 5% PER YEAR PERMANENT REDUCTION FOR EACH YEAR UNDER AGE 62)

The MRA (Minimum Retirement Age) will gradually be increasing based on year of birth. Birth dates through 1947, remain age 55, just like CSRS.

For 1948, age 55 years and 2 months; For 1949, age 55 years and 4 months, etc.

For 1953 through 1964, age 56 is the MRA.

For 1965, age 56 years and 2 months; For 1966, age 56 years and 4 months, etc.

For 1970 and after the MRA is age 57.

DISABILITY RETIREMENT FERS

MINIMUM REQUIREMENTS

- ♥ 18 MONTHS OF CIVILIAN SERVICE
- ♥ MUST FILE WITH SOCIAL SECURITY OFFICE FOR SOCIAL SECURITY DISABILITY RETIREMENT

It must be proven to the Office of Personnel Management's (OPM) satisfaction that a medical condition has caused the inability to perform duties, resulting in less than adequate performance.

Annual physicals are required by OPM to verify continued disability.

If found to be recovered medically, the annuity will continue for 1 Year.

You cannot earn in any 1 Year, more than 80% of the current salary of the position you retired from.

If found restored to earning capacity, the annuity will terminate as of June 30 of the following year.

DISABILITY ANNUITY COMPUTATION

First Year: 60% of the High-3 Years of Salary Average minus 100% of any Social Security Disability payable.

Each Year After: 40% of the High-3 Years of Salary Average minus 60% of any Social Security Disability payable.

AT AGE 62 THE ANNUITY IS RECOMPUTED USING:

Actual service plus the Years on Disability Retirement
(as a new length of service)

X

Actual High-3 at retirement plus the COLAs while on disability
(as a new high-3 years of salary average)

Regular Social Security (Old age at 62) would also now start.

DISCONTINUED SERVICE FERS

MINIMUM REQUIREMENTS

- ♥ Age 50 with at least 20 years of creditable service
- ♥ Any age with at least 25 years of creditable service

AND

- ♥ Your job is abolished

OR

- ♥ You face directed reassignment outside your commuting area

AND

- ♥ There are no comparable positions within two grades of your current position within your commuting area.

When the above requirements are met, the Annuity formula is calculated the same way as for Optional Retirement.

THERE IS NO REDUCTION FOR BEING UNDER AGE 55.

NOTE: For employees who had more than 5 years of CSRS coverage before transferring to FERS, the 2% per year reduction for years under age 55 will apply to the portion of the combined CSRS/FERS annuity represented by the CSRS years.

EARLY-OUT Retirement eligibility uses the same requirements as above except that in that situation, Management identifies positions, locations or organizational structures which need reducing and then asks employees who meet the above requirements to let Management know if they would be interested in retiring.

DISCONTINUED SERVICE RETIREMENT is involuntary;

EARLY-OUT RETIREMENT is voluntary.

DEFERRED RETIREMENT FERS

MINIMUM REQUIREMENTS

- ♥ 5 YEARS OF CREDITABLE CIVILIAN SERVICE AND AGE 62
- ♥ 20 YEARS OF CREDITABLE CIVILIAN SERVICE AND AGE 60
- ♥ 30 YEARS OF CREDITABLE CIVILIAN SERVICE AND MRA (55-57)
- ♥ 10 YEARS OF CREDITABLE CIVILIAN SERVICE AND MRA (55-57)
WITH A 5% PERMANENT PER YEAR REDUCTION FOR EACH
YEAR UNDER AGE 62

Deferred Retirement occurs when:

You resign your position,
Leave your contributions in the Retirement Fund,
And file for an annuity when you meet any of the above age and service
requirements.

**Deferred Retirement is forfeited if you withdraw your retirement
contributions any time after resigning.**

The annuity is computed in the same manner as for an Optional Annuity (Years of Service times the High-3 Years of Salary Average), but using the High-3 at the time of resignation.

Drawbacks to Deferred Retirement:

Loss of entitlement to Group Life and Group Health Insurance;

The negative effect of inflation on the High-3 Years of Salary
Average.

If you die between Resignation and the Deferred Retirement eligibility AND you had at least 10 Years of creditable service (including creditable military service) at the time of resignation, your spouse is entitled to an annuity equal to 50% of the annuity you would have received if you had met the minimum age requirements at the time of death.

If you do not have 10 years of creditable service at the time of resignation, then your survivor is entitled to a refund of your FERS contributions.

ANNUITY COMPUTATIONS

CSRS CSRS-OFFSET

FERS

Amount of Annuity is Figured On:
High-3 Years of Salary Average X Length of Creditable Service

CSRS FORMULA

1.50% X HIGH-3 X 5 YEARS

1.75% X HIGH-3 X 5 YEARS

2.00% X HIGH-3 X YEARS OVER 10

FERS FORMULA

1% EACH YEAR OF SERVICE

(1.1% EACH YEAR OF SERVICE
IF AGE 62 AND OVER 20 YEARS
OF SERVICE)

PLUS

FERS ANNUITY SUPPLEMENT

If you have at least one calendar year under FERS and are retiring on an Immediate Unreduced Annuity, you receive (between MRA and 62) a substitute for the portion of future Social Security represented by the FERS service.

CSRS SHORTCUT

LENGTH OF SERVICE

Minus 2

X 2

EX.: 30 YEARS OF SERVICE

30 MINUS 2 = 28

28 X 2 = 56

30 YEARS OF SERVICE

ACTUALLY EQUALS

56.25% OF THE HIGH-3.

It applies the Social Security Formula, using actual pay for years under FERS and “deemed” pay for years prior to FERS, and multiplies it by years of FERS Civilian Service divided by 40.

It is subject to the Social Security earning limitation of \$15,720 for the year 2015.

HIGH-3 SALARY AVERAGE COMPUTATION

The High-3 Years of Salary Average is the highest pay obtained by averaging the rates of basic pay (including locality pay) in effect during any 3 consecutive years of service, with each rate weighted by the time it was in effect.

For most employees, the last 3 years of employment represent the highest 3 years. The formula is applied uniformly, whether CSRS, CSRS-OFFSET or FERS.

COMPUTATION

YEAR/MO/DAY	SALARY	X	FACTOR = EARNINGS DURING THIS PERIOD
<u>1995/08/03</u> <u>1995/01/08</u> 06-26	\$52,408	X	.572222 = \$29,989
<u>1995/01/07</u> <u>1994/01/09</u> 11-29	\$50,105	X	.997222 = \$49,966
<u>1994/01/08</u> <u>1993/01/10</u> 11-29	\$48,702	X	.997222 = \$48,567
<u>1993/01/09</u> <u>1992/08/04</u> 05-06	\$46,508	X	.433333 = \$20,153
			<hr/>
			\$148,675
			<u>DIVIDED BY 3 = \$49,558</u>

DEPOSIT FERS

A deposit is money paid to the Retirement Fund to purchase a period of service that was not covered by retirement deductions (e.g. temporary positions).

The interest charged is always at the Variable Interest Rate.

3% THROUGH 1984

13.000% - 1985	1993 – 7.125%	2001 – 6.375%	2009 – 3.875%
11.125% - 1986	1994 – 6.250%	2002 – 5.500%	2010 – 3.125%
9.000% - 1987	1995 – 7.000%	2003 – 5.000%	2011 – 2.750%
8.375% - 1988	1996 – 6.875%	2004 – 3.875%	2012 - 2.250%
9.125% - 1989	1997 – 6.875%	2005 – 4.375%	2013 – 1.625%
8.750% - 1990	1998 – 6.750%	2006 – 4.125%	2014 – 1.625%
8.625% - 1991	1999 – 5.750%	2007 – 4.875%	2015 – 2.000%
8.125% - 1992	2000 – 5.875%	2008 – 4.750%	

NO DEPOSIT PAYMENT IS ALLOWED FOR SERVICE PERFORMED AFTER DECEMBER 31, 1988

EFFECT OF NON-PAYMENT

Service time will NOT count toward Retirement Eligibility

AND

Will NOT count toward Annuity Computation.

FERS employees must make a deposit for non-covered service occurring before January 1, 1989 in order for it to be creditable for Retirement purposes.

REDEPOSIT FERS

A redeposit is money paid to the Retirement Fund to purchase a period of service that was previously refunded.

The interest charged is always at the Variable Interest Rate.

3% THROUGH 1984

13.000% - 1985	1993 – 7.125%	2001 – 6.375%	2009 – 3.875%
11.125% - 1986	1994 – 6.250%	2002 – 5.500%	2010 – 3.125%
9.000% - 1987	1995 – 7.000%	2003 – 5.000%	2011 – 2.750%
8.375% - 1988	1996 – 6.875%	2004 – 3.875%	2012 - 2.250%
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8.125% - 1992	2000 – 5.875%	2008 – 4.750%	

EFFECT OF NON-PAYMENT

Service time **WILL** count toward Retirement Eligibility

BUT

Will **NOT** count toward Annuity Computation

It will count for purposes of leave and reduction-in-force.

SICK LEAVE

Sick leave constitutes the only temporary disability program the Government has in its Benefits package. At retirement CSRS and CSRS-OFFSET employees receive additional service credit for unused sick leave. FERS employees receive one-half credit if retiring before the year 2014. After that they will receive the same full credit that CSRS and CSRS-OFFSET employees receive now. The charts on this page and the next reflect the days and months value of unused sick leave hours.

		MONTHS					
		One	Two	Three	Four	Five	
Days							
0	0	174	348	522	696	870	
1	6	180	354	628	701	875	
2	12	186	369	533	707	881	
3	17	191	365	539	713	887	
4	23	197	371	545	719	893	
5	29	203	377	561	725	899	
6	35	209	383	557	730	904	
7	41	214	388	562	736	910	
8	46	220	394	568	742	916	
9	52	226	400	574	748	922	
10	58	232	406	580	754	928	
11	64	238	412	586	759	933	
12	70	243	417	591	765	939	
13	75	249	423	597	771	945	
14	81	255	429	603	777	961	
15	87	261	435	609	783	957	
16	93	267	441	615	788	962	
17	99	272	446	620	794	968	
18	104	278	452	626	800	974	
19	110	284	458	632	806	980	
20	116	290	464	638	812	986	
21	122	296	470	643	817	991	
22	128	301	475	649	823	997	
23	133	307	481	655	829	1003	
24	139	313	487	661	835	1009	
25	145	319	493	667	841	1015	
26	151	325	499	672	846	1020	
27	157	330	504	678	852	1026	
28	162	336	510	684	858	1032	
29	168	342	516	690	864	1038	

SICK LEAVE CHART (CONTINUED)

	MONTHS					
	Six	Seven	Eight	Nine	Ten	Eleven
Days						
0	1044	1217	1391	1565	1739	1917
1	1049	1223	1397	1571	1745	1919
2	1055	1229	1403	1577	1751	1925
3	1061	1236	1409	1583	1757	1930
4	1067	1241	1415	1588	1762	1936
5	1072	1246	1420	1594	1768	1942
6	1078	1252	1426	1600	1774	1948
7	1084	1258	1432	1606	1780	1954
8	1090	1264	1438	1612	1786	1959
9	1096	1270	1444	1617	1791	1965
10	1101	1275	1449	1623	1797	1971
11	1107	1281	1455	1629	1803	1977
12	1113	1287	1461	1635	1809	1983
13	1119	1293	1467	1641	1816	1988
14	1126	1299	1472	1646	1820	1994
15	1130	1304	1478	1652	1826	2000
16	1136	1310	1484	1658	1832	2006
17	1142	1316	1490	1664	1838	2012
18	1148	1322	1496	1670	1844	2017
19	1154	1328	1501	1675	1849	2023
20	1159	1332	1507	1681	1855	2029
21	1165	1339	1513	1687	1861	2035
22	1171	1345	1519	1693	1867	2041
23	1177	1351	1525	1699	1873	2046
24	1183	1357	1530	1704	1878	2052
25	1188	1362	1536	1710	1884	2058
26	1194	1368	1542	1716	1890	2064
27	1200	1374	1548	1722	1896	2070
28	1206	1380	1554	1728	1901	2075
29	1212	1386	1559	1733	1907	2081

FERS POST-1956 MILITARY SERVICE

Pure FERS employees **do not** receive credit toward their civilian retirement for military service unless they purchase it.

The cost is 3% of the military pay received plus interest.

Employees who transferred to FERS with more than 5 years of creditable service under CSRS are treated the same as a CSRS employee and for them the cost is 7% of military pay received plus interest.

To start the purchase process, contact your Personnel or Human Resources Office and tell them you want to purchase your Post-1956 military service. They will send you a **SF-3108** and a “Form for Estimated Earnings During Military Service.”

Complete the **SF-3108** and return it to Personnel; send the “Estimated Earnings” form to your appropriate Military Finance Office. When they return it to you, send it to Personnel and they will calculate the payment due and notify you of payment methods.

For pure FERS employees, purchase of the military time serves to lengthen your civilian service credit and, perhaps, allow you to retire earlier than you had planned.

**VARIABLE INTEREST RATES
CIVILIAN DEPOSIT/REDEPOSIT
POST-1956 MILITARY PURCHASE**

1984	3.000%
1985	13.000%
1986	11.125%
1987	9.000%
1988	8.375%
1989	9.125%
1990	8.750%
1991	8.625%
1992	8.125%
1993	7.125%
1994	6.250%
1995	7.000%
1996	6.875%
1997	6.875%
1998	6.750%
1999	5.750%
2000	5.875%
2001	6.375%
2002	5.500%
2003	5.000%
2004	3.875%
2005	4.375%
2006	4.125%
2007	4.875%
2008	4.750%
2009	3.875%
2010	3.125%
2011	2.750%
2012	2.250%
2013	1.625%
2014	1.625%
2015	2.000%

THRIFT SAVINGS PLAN

The Thrift Savings Plan (TSP) is a retirement savings and investment plan for Federal employees.

It was established by Congress to provide Federal employees with the same savings and tax benefits that private corporations offer their employees.

TSP benefits are separate and distinct from annuities of the CSRS and FERS programs and Contribution Amounts are based on Employee Salary.

CSRS and CSRS-OFFSET

No Government Contribution

No Government Match

Employee can contribute
Up to \$18,000 in 2015

Tax Deferred
Tax **SHELTERED**

FERS

Government contributes 1%
automatically

Government matches:

First 3% of Employee Contribution
Dollar for Dollar; next 2% of
Employee Contribution \$.50 per
Dollar contributed.

Employee can contribute
Up to \$18,000 in 2015

(With the Government contributing
up to 5% additional (1% automatic
plus 4% in matching)

Tax Deferred
Tax **SHELTERED**

**(P.L. 107-304 "Catch-up/over 50" allows \$6,000
extra in 2015 via payroll deduction)**

THRIFT SAVINGS PLAN INVESTMENTS

Investment Options:

G Fund (Government Securities)
F Fund (Fixed Income)
C Fund (Common Stock) **L Fund** (Lifecycle)
S Fund (Small Cap)
I Fund (International)

The **G FUND (Government Securities Investment Fund)** is invested in special issues of U.S. Treasury Securities.

The **F FUND (Fixed Income Investment Fund)** is held in a separate account and managed to track the Barclays Capital U.S Aggregate Bond Index Fund

The **C FUND (Common Stock Investment Fund)** is held in a separate account and managed to fully replicate the S&P 500 Stock Index.

The **S FUND (Small Capitalization Stock Index Fund)** invests in a stock index that tracks the Dow Jones U.S. Completion Total Stock Market Index.

The **I FUND (International Stock Index Fund)** invests in a stock index fund that Fully replicates the Morgan Stanley Capital International Fund EAFE (Europe, Australasia, Far East) index.

TOTAL TSP ASSETS (December 31, 2014) of \$440,000,000,000.

4.3 Million Participants

NEWER FEATURES:

- 1) Complete and Total Upgrade Allowing for Daily Valuation;
- 2) Quarterly Participant Statements

All Employees can do **INTERFUND TRANSFERS** (moving already contributed balances from one Fund to another) with a TSP-50. You may use a Paper TSP-50 from your Personnel office or the TSP website at (www.TSP.gov); or do it Electronically at the TSP website; or call the Thriftline at 1-877-968-3778 (toll-free).

C, F, G, S AND I FUND RETURNS

	<i>C FUND</i>	<i>F FUND</i>	<i>G FUND</i>	<i>S FUND</i>	<i>I FUND</i>
1988	11.84%	3.63%	8.81%		
1989	31.03%	13.89%	8.81%		
1990	<u>-03.15%</u>	8.00%	8.90%		
1991	30.77%	15.75%	8.15%		
1992	7.70%	7.20%	7.23%		
1993	10.13%	9.52%	6.14%		
1994	1.33%	<u>-2.96%</u>	7.22%		
1995	37.41%	18.31%	7.03%		
1996	22.85%	3.66%	6.76%		
1997	33.17%	9.60%	6.77%		
1998	28.44%	8.70%	5.74%		
1999	20.95%	<u>-0.85%</u>	5.99%		
2000	<u>-09.14%</u>	11.67%	6.42%		
2001	<u>-11.94%</u>	8.61%	5.39%		
2002	<u>-22.05%</u>	10.27%	5.00%	<u>-18.14%</u>	<u>-15.98%</u>
2003	28.54%	4.11%	4.11%	42.92%	37.94%
2004	10.82%	4.30%	4.30%	18.03%	20.00%
2005	4.96%	2.40%	4.49%	10.45%	13.63%
2006	15.79%	4.40%	4.93%	15.30%	26.32%
2007	5.54%	7.09%	4.87%	5.49%	11.43%
2008	<u>-36.99%</u>	5.45%	3.75%	<u>-38.32%</u>	<u>-42.43%</u>
2009	26.68%	5.99%	2.97%	34.85%	30.04%
2010	15.06%	6.71%	2.81%	29.06%	7.94%
2011	2.11%	7.89%	2.45%	<u>- 3.38%</u>	<u>-11.81%</u>
2012	16.07%	4.29%	1.47%	18.57%	18.62%
2013	32.45%	<u>-1.68%</u>	1.89%	38.35%	22.13%
2014	13.78%	6.73%	2.31%	7.80%	<u>-5.27%</u>

THE MAGIC OF COMPOUNDING MARY AND MIKE

MARY (10% per annum interest)		MIKE (10% per annum interest)	
Year 1	\$2,000	Year 1	\$0
Year 2	\$2,000	Year 2	\$0
Year 3	\$2,000	Year 3	\$0
Year 4	\$2,000	Year 4	\$0
Year 5	\$2,000	Year 5	\$0
Year 6	\$2,000	Year 6	\$0
Year 7	\$2,000	Year 7	\$0
Year 8	\$2,000	Year 8	\$0
Year 9	\$0	Year 9	\$2,000
	\$0	Year 10	\$2,000
	\$0	Year 11	\$2,000
	\$0	Year 12	\$2,000
	\$0	Year 13	\$2,000
	\$0	Year 14	\$2,000
	\$0	Year 15	\$2,000
	\$0	Year 16	\$2,000
	\$0	Year 17	\$2,000
	\$0	Year 18	\$2,000
	\$0	Year 19	\$2,000
	\$0	Year 20	\$2,000
	\$0	Year 21	\$2,000
	\$0	Year 22	\$2,000
	\$0	Year 23	\$2,000
	\$0	Year 24	\$2,000
	\$0	Year 25	\$2,000
	\$0	Year 26	\$2,000
	\$0	Year 27	\$2,000
	\$0	Year 28	\$2,000
	\$0	Year 29	\$2,000
	\$0	Year 30	\$2,000
	\$0	Year 31	\$2,000
	\$0	Year 32	\$2,000
	\$0	Year 33	\$2,000
	\$0	Year 34	\$2,000
	\$0	Year 35	\$2,000
Year 36 – 40	\$0	36 – 40	<u>\$2,000 each year</u>
	\$515,188		\$378,496
	Mary invested \$16,000		Mike invested \$64,000

Her investment was **\$48,000** less than Mike's, but she gains **\$139,692** more than he does.

THRIFT SAVINGS PLAN LOAN PROGRAM

You may Borrow from your TSP Account for:

- 1) **General Purposes:** Education, Medical, Etc. with No Documentation
Repay the loan in 1 – 4 Years
- 2) **Primary Residence** with Documentation
Repay in 1 – 15 Years

You can Withdraw from your TSP Account for:

- 1) **Financial Hardship** (with Documentation)
- 2) Take a **One-Time Single Payment** of all or part of your Account if you are over age 59 and one-half

MINIMUM AMOUNT OF LOAN: \$1,000

MAXIMUM AMOUNT OF LOAN: Limited to the equivalent of the
Employee's Contributions to the Account.

INTEREST RATE CHARGED: Equals the G Fund rate in effect at the time the
Loan is approved. The rate remains fixed and
the interest you pay on the loan goes back into
your **own** Account

REPAYMENT OF LOAN:

- 1) Must be repaid through regular Payroll Allotments within an agreed-upon time.
- 2) It can be repaid at any time without penalty.
- 3) Failure to repay the loan by the time of any separation results in notification to the Internal Revenue Service of the unpaid portion as Distribution subject to Income Tax and a potential 10% Early Withdrawal Penalty.

THRIFT SAVINGS PLAN PAYOUTS AT SEPARATION

CSRS participants are always vested in their own contributions and the earnings on their contributions.

FERS participants are always vested in their own contributions, the earnings on their contributions, the matching contributions their Agencies make and the earnings on those matching contributions. After 3 Years of service the Agency Automatic 1% is also fully vested.

You may leave your contributions in the TSP after retirement, but must withdraw your account by:

- 1) April 1 of the year following the year in which you turn 70½
OR
- 2) April 1 of the year following the year in which you separate from Federal Service, **whichever is later.**

You may take a single Partial Withdrawal and leave the rest to be taken out as follows at a later date:

OPTIONS FOR WITHDRAWAL:

- 1) **Transfer** your TSP account to your own Eligible Retirement Plan:
 - a) Individual Retirement Account (IRA)
 - b) Individual Retirement Annuity (other than an endowment contract)
 - c) A Qualified Pension, Profit-sharing, or Stock Bonus Plan
 - d) An Annuity Plan Described in Section 403(a) of the IRS Code

Note: You Now Can Transfer or Rollover Your Payment into a “Roth” IRA and Distributions Paid to Spouses upon the Death of the Participant Can be Transferred or Rolled Over ONLY to an IRA

- 2) Have the Thrift Board purchase a life annuity for you (with MetLife)
- 3) Receive your balance in a single payment (20% will be withheld for taxes)
- 4) Receive a series of equal payments (20% will be withheld for taxes if you choose less than 120 payments (10 years), **OR use a combination of Numbers 2, 3, and 4 as a “Mixed Withdrawal”.**

♥ Accounts of less than \$200 will be automatically cashed out.

The TSP does not withhold for State, City, County, or other Local income tax.

THRIFT SAVINGS PLAN ANNUITIES

The Plan provides several **life annuity** choices. A **life annuity** is a monthly benefit paid to you for life. You can choose to receive equal monthly payments as long as you live or choose initially lower payments that increase each year.

Some choices also provide benefits for surviving spouses.

The Thrift Board has selected **Metropolitan Life Insurance Company** to provide annuity benefits.

Single Life

1. Level Payments

- ♥ with no additional features
- ♥ with Cash Refund Feature
- ♥ with 10-year Certain Feature

2. Increasing Payments

- ♥ with no additional features
- ♥ with Cash Refund Feature
- ♥ with 10-year Certain Feature

Joint Life with Spouse

3. Level Payments

- ♥ 100% survivor annuity
- ♥ 50% survivor annuity
- ♥ 100% survivor annuity with Cash Refund Feature
- ♥ 50% survivor annuity with Cash Refund Feature

4. Increasing Payments

- ♥ 100% survivor annuity
- ♥ 50% survivor annuity
- ♥ 100% survivor annuity with Cash Refund Feature
- ♥ 50% survivor annuity with Cash Refund Feature

Joint Life with Other Survivors

Person with insurable
interest cannot be more
than 10 Years younger

5. Level Payments

- ♥ 100% survivor annuity
- ♥ 50% survivor annuity
- ♥ 100% survivor annuity with Cash Refund Feature
- ♥ 50% survivor annuity with Cash Refund Feature

TSP TAX WITHHOLDING

For Withholding Purposes, TSP Payments are Classified as:

- 1) Eligible Rollover Distributions**
- 2) Periodic Payments**
- 3) Non-Periodic Payments**

ELIGIBLE ROLLOVER DISTRIBUTIONS (20% Tax Withholding)

- A) Single Payment of the Entire TSP Account
- B) An In-Service Withdrawal Payment
- C) Automatic Cashout Payment (an Account that had less than \$3,500 in it)
- D) Monthly Payments Where the Account is Expected to Be Paid Out in Less than 10 Years) (unless the IRS Life Expectancy Table is Used)
- E) A Final Single Payment made After a Series of Monthly Payments
- F) Late Contribution Payments to An Account that Has Closed
- G) Death Benefits and Court Ordered Payments (Divorce cases)

Avoid the Withholding by Asking for a Direct Transfer to Your IRA

PERIODIC PAYMENTS (Withholding Based on Married-3, But You Can Adjust)

- A) Monthly Payments Where the Account is Expected to be Paid Out in 10 Years or More
- B) Monthly Payments Computed According to the IRS Life Expectancy Table

Note: Payments You Receive from an Annuity that the TSP Purchases for you are also Periodic Payments. Your Annuity Provider (**MetLife**) will send you Withholding Information.

NON-PERIODIC PAYMENTS (10% Tax Withholding, But You Can Adjust)

- A) Required Minimum Distributions Paid Either Separately or Together with an Eligible Rollover Distribution, a Transfer, or a TSP Annuity Purchase. This Would Occur Once Past 70 ½ and Separated from Federal Service.
- B) Minimum Distribution Payments Made to a Participant Who is also Receiving a Series of Monthly Payments. The First Payments Made During a Year will be considered the Minimum Distribution Payments for Tax Withholding Purposes Until the Required Minimum Distribution Amount for that Year is Reached. Subsequent Payments will be Treated as Either Eligible Rollover Distributions or Periodic Payments for Tax Withholding Purposes.
- C) Death Benefits Paid to Someone Other Than the Spouse
- D) Court Ordered Payments to Other than the Spouse, including Child Support

FACTORS TO ESTIMATE TSP BALANCE

TSP Earning 4% Annual Rate of Return (Compounded Monthly)						
	1%	2%	3%	4%	5%	10%
Years						
5	.17	.28	.39	.47	.55	.83
10	.37	.61	.86	1.04	1.23	1.84
15	.62	1.03	1.44	1.74	2.05	3.08
20	.92	1.53	2.14	2.60	3.06	4.59

TSP Earning 7% Annual Rate of Return (Compounded Monthly)						
	1%	2%	3%	4%	5%	10%
Years						
5	.18	.30	.42	.51	.60	.90
10	.43	.72	1.01	1.23	1.44	2.17
15	.79	1.32	1.86	2.26	2.65	3.97
20	1.30	2.17	3.04	3.70	4.35	6.52

TSP Earning 10% Annual Rate of Return (Compounded Monthly)						
	1%	2%	3%	4%	5%	10%
Years						
5	.19	.32	.45	.55	.65	.97
10	.61	.86	1.20	1.45	1.71	2.57
15	1.04	1.73	2.42	2.94	3.46	5.19
20	1.90	3.17	4.44	5.39	6.34	9.51

CSRS Employees contributing 3%, Use the 1% column.

CSRS Employees contributing 5%, Use the 2% column.

SAVINGS BOND INFORMATION

The latest United States Savings Bond and Notes Earnings Report and other useful information about U.S. Savings Bonds is now available at the **Bureau of Public Debt's Internet Home Page:**

www.publicdebt.treas.gov

You can download the **Savings Bond Wizard™**, an easy to use Program that lets you keep track of your Savings Bonds and value your portfolio.

SERIES EE: Sold at One-half of Their Face Value (a \$100 Bond Costs \$50).

They Earn Interest for 30 Years, but are **Not Indexed to Inflation**.

Interest is Based on the Average Yield on Five Year Treasury Securities.

Earned Interest is Added to the Value Each Month and is Exempt from State and Local Taxes. Federal Tax can be Deferred until You Redeem the Bonds or They Stop Earning Interest.

**SERIES EE Denominations are: \$100, \$200, \$500, \$1,000;
\$5,000 and \$10,000**

SERIES I: Sold at Their Face Value (a \$100 Bond Costs \$100)

They Grow in Value With **Inflation-Indexed Earnings** for up to 30 Years

They Increase in Value Each Month and Interest is Compounded Semi-Annually

Earnings are Exempt from State and Local Taxes and Federal Taxes Can be Deferred until You Redeem the Bonds or They Stop Earning Interest

**Series I Denominations are: \$50, \$75, \$100, \$500, \$1,000;
\$5,000 and \$10,000**

The Earnings Report which contains Rate and Yield information for Series E and EE Bonds and Savings Notes, is also available by mail from the Bureau of Public Debt by sending a postcard asking for "Earnings Report" to:

**Bureau of the Public Debt
200 Third Street
Parkersburg, WV 26106-1328**

COST OF LIVING ADJUSTMENTS

CSRS ANNUITANT

Eligible at retirement for the Full Percentage based on the Consumer Price Index (CPI)

FERS ANNUITANT

None until age 62, if retiring based on age and service.

At age 62, the formula is CPI minus 1 if the CPI is 3% or More;
2% if the CPI is between 2% and 3%;
And Actual CPI if it is less than 2%.

PAST CSRS COLAs

December 1987 – 4.2%	December 1996 – 2.9%	December 2005 – 4.1%
December 1988 – 4.0%	December 1997 – 2.1%	December 2006 – 3.3%
December 1989 – 4.7%	December 1998 – 1.3%	December 2007 – 2.3%
December 1990 – 5.4%	December 1999 – 2.4%	December 2008 – 5.8%
December 1991 – 3.7%	December 2000 – 3.5%	December 2009 – 0.0%
December 1992 – 3.0%	December 2001 – 2.6%	December 2010 – 0.0%
March 1994 – 2.6%	December 2002 – 1.4%	December 2011 – 3.6%
March 1995 – 2.8%	December 2003 – 2.1%	December 2012 – 1.7%
March 1996 – 2.6%	December 2004 – 2.7%	December 2013 – 1.5%
		December 2014 – 1.7%

COMBINED CSRS/FERS ANNUITANT

CSRS rules apply to the CSRS component of the combined annuity;
FERS rules apply to the FERS component of the combined annuity.

Cost of Living Adjustments (COLA) take effect on December 1 and appear in the January annuity check.

The initial COLA is pro-rated based on the number of months of annuity receipt during the CPI Review Period.

For Example: Your annuity commenced with the month of November, the last month of the CPI Review Period; you would receive 1/12th of the December 1 COLA in your January annuity check. The next year you would have been in receipt of annuity during all 12 months of the CPI Review Period, so you would receive the full COLA.

SURVIVOR BENEFITS (FERS) DEATH BEFORE RETIREMENT

If you had at least 18 months of Civilian Service subject to FERS at the time of death, the following people may draw Survivor Benefits automatically:

SPOUSE: Must have been married to the employee for at least 9 Months at the Time of Death, or

Be Parent to a Child of the Marriage.

(Accidental death waives the Length of Marriage requirement)

FORMER SPOUSE: Must have been married to the employee for at least 9 Months, and

A Court Order must Expressly Provide for payment of a FERS Lump-Sum and/or Survivor Annuity to the Former Spouse.

CHILDREN: Must be Unmarried and

Under age 18, or

Under age 22, if a Full-time Student.

Any age if disabled before Age 18.

A Legally Adopted Child or one for whom a Petition of Adoption was filed by the Deceased is Eligible, as are Stepchildren who were dependent on the Deceased and Lived with Him or Her in a regular, Parent-Child Relationship.

Recognized Natural Children are also Eligible.

NOTE: The Survivor receives the Survivor Annuity for the rest of their life, unless they remarry before age 55. If, however, the marriage was at least 30 years in length, the Survivor Annuity continues. If a Survivor Annuity does stop, it can be restarted by notifying OPM when the subsequent marriage ends by death or divorce.

SURVIVOR BENEFITS (FERS) DEATH BEFORE RETIREMENT PAYMENTS

SURVIVOR ANNUITY PAYABLE TO *SPOUSE*

**If you had between
18 Months and 10
Years of Service on
Date of Death**

- 1) Lump-Sum Payment of \$32,326.57 Indexed to CSRS COLA
PLUS
- 2) Lump-Sum Payment of the Higher of:
 - a) One-half of the Employee's Annual Basic Pay at the
at the Time of Death,
OR
 - b) One-half of the Employee's High-3 Years of Salary
Average,
PLUS
- 3) Any Social Security Benefits Payable
PLUS
- 4) Any Thrift Savings Plan Death Benefits Payable

**If you had 10 or
More Years of
Service on
Date of Death**

- All of the Above, if Payable,
PLUS
- 5) A Survivor Annuity Equal to 50% of the Employee's Earned
Basic Annuity at the Date of Death

SURVIVOR ANNUITY PAYABLE TO *CHILDREN*

If the Spouse survives (One Living Parent) (Single Orphan)

Each Child receives the **Lesser** of:

- a) \$510 per Month, or
- b) \$1,530 per Month, Divided by the Total Number of Eligible Children

If no Spouse survives (No Living Parent) (Double Orphan)

Each Child receives the **Lesser** of:

- a) \$612 per Month, or
- b) \$1,836 per Month, Divided by the Total Number of Eligible Children

**The Dollar figures are Indexed Each Year for Inflation.
Children's figures are Reduced by any Social Security Benefits payable.**

SOCIAL SECURITY TERMINOLOGY

CREDITS OF COVERAGE
(used to be called quarters of coverage)

QCs

Need 40 if born in 1929 or later. For **2015**, you earn 1 Quarter for each **\$1,220** of Earnings. Annual earnings of **\$4,880** earn the Maximum of 4 credits for a year.

AVERAGE INDEXED MONTHLY EARNINGS

AIME

The Total of All Social Security Covered Earnings (indexed for inflation) Divided by the Number of Months represented by the QCs required minus 5
40-5 = 35 Years
35 Years = 420 Months

WINDFALL ELIMINATION PROVISION

WEP

Sliding scale of 90% down to 40%, reducing the First part of the Social Security formula if you are also entitled to a CSRS pension.

PURE FERS EMPLOYEES ARE NOT AFFECTED.

PRIMARY INSURANCE AMOUNT

PIA

The amount of Social Security entitlement

Reduction for Early Retirement (if born before 1938). Figures are slightly lower for births after 1938

Age 65 = 100%	93 ¾%	88%
Age 64 = 93 1/3 %	87 ½%	82%
Age 63 = 86 2/3%	81 1/4%	76%
Age 62 = 80%	75%	70%

SOCIAL SECURITY EARLY RETIREMENT REDUCTIONS

BORN IN	REACH AGE 62	FULL RETIREMENT AGE	PERCENT OF PIA AT AGE 62
1938	2000	65 Years, 2 Months	79.2%
1939	2001	65 Years, 4 Months	78.3%
1940	2002	65 Years, 6 Months	77.5%
1941	2003	65 Years, 8 Months	76.7%
1942	2004	65 Years/10 Months	75.8%
1943 - 1954	2005 - 2016	66 Years	75.0%
1955	2017	66 Years, 2 Months	74.2%
1956	2018	66 Years, 4 Months	73.3%
1957	2019	66 Years, 6 Months	72.5%
1958	2020	66 Years, 8 Months	71.7%
1959	2021	66 Years/10 Months	70.8%
1960	2022	67 Years	70.0%

For Those Born After 1960, Current Social Security Regulations Provide for 70% Primary Insurance Amount (PIA) at Age 62 and Full Benefits Only at Age 67

SAMPLE WORK RECORD SOCIAL SECURITY

Born: 1961

Begins Working in Private Sector 1986

Begins Working for Government in 1992

	Actual	Indexed			Actual	Indexed
1986	\$6,000	(\$18,000)		2008	\$60,000	(\$94,000)
1987	\$8,000	(\$21,000)		2009	\$65,000	(\$95,000)
1988	\$10,000	(\$22,000)		2010	\$67,000	(\$97,000)
1989	\$12,000	(\$23,000)		2011	\$68,000	(\$98,000)
1990	\$15,000	(\$25,000)		2012	\$70,000	(\$101,000)
1991 **	\$32,000	(\$55,000)		2013	\$72,000	(\$104,000)
1992	\$33,000	(\$56,000)		2014	\$74,000	(\$106,000)
1993	\$34,000	(\$56,000)		2015	\$75,000	(\$108,000)
1994	\$35,000	(\$57,000)		2016	\$80,000	(\$110,000)
1995	\$36,000	(\$60,000)		2017	\$82,000	(\$111,000)
1996	\$38,000	(\$63,000)		2018	\$84,000	(\$112,000)
1997	\$40,000	(\$65,000)		2019	\$86,000	(\$113,000)
1998	\$41,000	(\$68,000)		2020	\$88,000	(\$114,000)
1999	\$42,000	(\$71,000)	Age 60	2021 **	\$90,000	(\$115,000)
2000	\$44,000	(\$73,000)		2022		
2001	\$46,000	(\$76,000)	Age 62	2023	Early SS	Retirement
2002	\$50,000	(\$80,000)		2024		
2003	\$51,000	(\$82,000)		2025		
2004	\$53,000	(\$83,000)		2026		
2005	\$54,000	(\$86,000)		2027		
2006	\$56,000	(\$88,000)	Age 67	2028	Full SS	Retirement
2007	\$58,000	(\$90,000)				

STEP 1 --- Add All the Figures in Parentheses for the Highest 35 Years

STEP 2 --- Divide Step 1 By 420 Months (which is Equal to 35 Years)

STEP 3 --- The Result is the Average Indexed Monthly Earnings (AIME)

SOCIAL SECURITY FORMULA YEAR 2015

90% of the First \$826 of AIME

PLUS

32% of the Next \$4,154 of AIME

PLUS

15% of Everything Over \$4,980

STEP 1 \$2,796,000 (parenthesized figures)

STEP 2 \$2,796,000 ÷ 420 Months = \$6,657 of AIME

90% of First \$826 32% of Next \$4,154 15% of Everything Over \$4,980

\$826		\$4,154		\$6,657
x .90		x .32		- 4,980
<u>\$743</u>	PLUS	<u>\$ 1,329</u>	PLUS	<u>\$1,677</u>
				x .15
				<u>\$251</u>

\$743 PLUS \$1,329 PLUS \$251= \$2,323 Social Security PIA
(Primary Insurance Amount)

EARLY RETIREMENT

At Age 62 the Payment would be 70% of \$2,323 or \$1,626 per Month

FULL RETIREMENT AGE

At Age 67 the Payment would be the full \$2,323 per Month
(If you had waited until age 67 to begin drawing your Social Security)

If you wait until age 70 to file, this figure would be increased by
Intervening Social Security COLAs and 8% for each full year
Between 67 and 70 (A bonus!)

FEDERAL EMPLOYEES GROUP LIFE INSURANCE DURING EMPLOYMENT

BASIC INSURANCE - Your salary rounded to the Next Higher Thousand Plus \$2,000

Cost is \$.15 per Thousand per Pay Period

OPTION A (STANDARD) --- \$10,000 FACE VALUE

<u>AGE GROUP</u>	<u>BIWEEKLY</u>
UNDER AGE 35	\$0.30
AGE 35 THRU 39	\$0.40
AGE 40 THRU 44	\$0.60
AGE 45 THRU 49	\$0.90
AGE 50 THRU 54	\$1.40
AGE 55 THRU 59	\$2.70
AGE 60 AND OVER	\$6.00

OPTION B (ADDITIONAL OPTIONAL)

1 thru 5 Times Salary Rounded to Next Higher Thousand

<u>AGE GROUP</u>	<u>BIWEEKLY PER \$1,000 OF COVERAGE</u>	
UNDER AGE 35	\$0.02	AGE 65-69 \$0.62
AGE 35 THRU 39	\$0.03	AGE 70-74 \$1.14
AGE 40 THRU 44	\$0.05	AGE 75-79 \$1.80
AGE 45 THRU 49	\$0.08	AGE 80 + \$2.40
AGE 50 THRU 54	\$0.13	
AGE 55 THRU 59	\$0.23	
AGE 60 AND OVER	\$0.52	

OPTION C (FAMILY) **(1,2,3,4 or 5) x \$5,000 on Spouse**
(1,2,3,4 or 5) x \$2,500 on Children

<u>AGE GROUP</u>	<u>BIWEEKLY PER MULTIPLE</u>	
UNDER AGE 35	\$0.22	AGE 70-74 \$3.60
AGE 35 THRU 39	\$0.29	AGE 75-79 \$4.80
AGE 40 THRU 44	\$0.42	AGE 80 + \$6.60
AGE 45 THRU 49	\$0.63	
AGE 50 THRU 54	\$0.94	
AGE 55 THRU 59	\$1.52	
AGE 60 THRU 64	\$2.70	
AGE 65 THRU 69	\$3.14	

FEDERAL EMPLOYEES GROUP LIFE INSURANCE

In the event of **Accidental Death**, FEGLI pays **DOUBLE** on **BASIC** and **OPTION A**, while you are **Working**.

NO Double Indemnity after Retirement.

While You are Employed, FEGLI also applies an **Age Multiplication Factor** to the Basic Insurance if You Die Younger than Age 45

<u>AGE</u>	<u>FACTOR</u>
35 OR LESS	2.0
36	1.9
37	1.8
38	1.7
39	1.6
40	1.5
41	1.4
42	1.3
43	1.2
44	1.1
45	1.0

COMMON DISASTER CLAUSE

To Prevent Insurance Proceeds from going to the Estate in cases where Employee and Spouse Both Die within a Short Period of Each Other

On the **SF-2823, FEGLI Designation of Beneficiary** form, after Naming Your Designated Beneficiary (e.g. wife), add:

“if he (or she) survives me by at least **(1 to 30)** days.”

If Your Designated Beneficiary Dies Before the Specified Number of Days Elapses, the Insurance will be Paid According to the Natural Order of Precedence

NATURAL ORDER OF PRECEDENCE

- 1) Widow or Widower
- 2) Children
- 3) Parents
- 4) Executor or Administrator of Estate
- 5) Any other Next of Kin Who are Entitled Under the laws of the Domicile of the Insured at the Time of Death

FEDERAL EMPLOYEES GROUP LIFE INSURANCE

There are NO Regularly Scheduled Open Seasons for Life Insurance, as there are for Health Benefits and the Thrift Savings Plan. However, there is a Procedure for obtaining Additional Life Insurance if You have Previously Waived some of the Coverage.

It Requires that:

- 1) One Year must have Passed since You Declined the Coverage;
- 2) You Must Pass a Physical Examination Conducted by Your Doctor at Your Expense, and
- 3) The Office of Federal Employees Group Life Insurance Must Authorize Additional Insurance Based on the Results of Your Physical Examination.

Upon Approval, You May Enroll for Basic and Add or Increase Options A and B. The Option C Insurance (Spouse and Children) Requires the Addition of New Family Members before it can be chosen.

If You Wish to avail Yourself of this Opportunity, Contact Your Personnel or Human Resources Office and Request a **SF-2822, Request for Insurance**, form. Follow the Instructions on the Form Closely.

Remember also that Your Federal Employees Group Life Insurance also Provides Benefits for Accidental Dismemberment:

<u>EXTENT OF LOSS</u>	<u>% OF INSURANCE PAYABLE</u>
Sight of Both Eyes	100%
Sight of One Eye	50%
Both Hands	100%
One Hand	50%
Both Feet	100%
One Foot	50%
One Hand and One Foot	100%
One Hand or One Foot and Sight of One Eye	100%

The Office of Federal Employees Group Life Insurance must be Notified within 20 Days of the Loss,

Followed up with the **FE-6, Life Insurance Claim Form**, within 90 Days of the Loss

Name of Insured (please print) _____
Social Security Number of Insured _____

INTER VIVOS TRUSTEE DESIGNATION

**TO BE ATTACHED TO AND MADE PART OF DESIGNATION OF
BENEFICIARY DATED _____**

I request that the amount payable under the FEDERAL EMPLOYEES GROUP LIFE
INSURANCE PROGRAM (Proceeds) be paid to the Trustee(s) or Successor Trustee(s)
as provided under (Name of Trust Agreement) _____
_____ bearing the date of _____,
executed by me.

I further request that in the case of the failure of said Trustee(s) to be appointed as such or
to qualify as such for any reason, or the termination for any reason of the trust prior to my
death that the Proceeds shall be paid to:

Name	Address	Relationship	Share
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

The Office of Federal Employees Group Life Insurance (OFEGLI) shall not be
responsible for the application or disposition of the proceeds by said Trustee and the
receipt by said Trustee shall fully discharge OFEGLI'S liability under the Federal
Employees Group Life Insurance Program.

Signature of Insured/Assignee (Only the Insured/Assignee may sign. Signatures by
guardians, conservators or through a power of attorney are not acceptable.)

Date of execution (Month, day, year) _____

Two Witnesses to Signature (A witness is not eligible to receive payment as a beneficiary

Signature of Witness Number and Street City, State, Zip Code

Signature of Witness Number and Street City, State, Zip Code

Name of Insured (please print) _____
Social Security Number of Insured _____

TESTAMENTARY TRUSTEE DESIGNATION

**TO BE ATTACHED TO AND MADE PART OF DESIGNATION OF
BENEFICIARY DATED** _____

I request that the amount payable under the FEDERAL EMPLOYEES GROUP LIFE INSURANCE PROGRAM (proceeds) be paid to the Trustee(s) or Successor Trustee(s) as provided under my Last Will and Testament, and I further request that in the case of the failure of said Trustee to be appointed as such or to qualify as such by reason of non-probate of any Will to that effect or for any other reason whatsoever, the Proceeds shall be paid to:

Name	Address	Relationship	Share
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

The Office of Federal Employees Group Life Insurance (OFEGLI) shall not be responsible for the application or disposition of the proceeds by said Trustee and the receipt by said Trustee shall fully discharge OFEGLI's liability under the FEDERAL EMPLOYEES GROUP LIFE INSURANCE PROGRAM.

Signature of Insured/Assignee (Only the Insured/Assignee may sign. Signatures by guardians, conservators or through a power of attorney are not acceptable).

Date of execution (Month, day, year) _____

Two Witnesses to Signature (A witness is not eligible to receive payment as a beneficiary

Signature of Witness	Number and Street	City, State, Zip Code
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Signature of Witness	Number and Street	City, State, Zip Code
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FEDERAL EMPLOYEES GROUP LIFE INSURANCE AFTER RETIREMENT

BASIC LIFE INSURANCE

May be Retained in Retirement if you have been Enrolled in **BASIC** for the 5 Years Immediately Preceding Retirement or Since Your First Opportunity to Enroll

CHOICE 1

75% Reduction

Reduces at age 65,
or Retirement, if
Later

Reduces by 2% per
Month until it Reaches
25% of Face Value

Cost is \$.3250/\$1000
per Month until Age 65.
Then it is free.

CHOICE 2

50% Reduction

Reduces at age 65,
or Retirement, if
Later

Reduces by 1% per
Month until it Reaches
50% of Face Value

Cost is \$.9650/\$1000
per Month until Age 65.
Then it will Cost \$.60 per
\$1000 per Month until
Death.

CHOICE 3

No Reduction

Never Reduces

Cost is \$2.2650 per
\$1000 per Month
until Age 65. Then
it will cost \$1.94 per
\$1000 per Month
until Death.

OPTION A (STANDARD) (\$10,000 FACE VALUE)

May be Retained in Retirement if you have been Enrolled in **OPTION A** for the 5 Years Immediately Preceding Retirement or Since Your First Opportunity to Enroll.

Option A Reduces at Age 65, or Retirement, if Later.

Option A Reduces by 2% per Month until it Reaches \$2,500

Cost is: \$5.85 per Month (Ages 55 – 59)

\$13.00 per Month (Ages 60 – 65)

FEDERAL EMPLOYEES GROUP LIFE INSURANCE AFTER RETIREMENT

OPTION B (MULTIPLES [1 – 5] OF SALARY)

May be Retained in Retirement if you have been Enrolled in **OPTION B** for the 5 Years Immediately Preceding Retirement or Since Your First Opportunity to Enroll

You may Retain the Highest Number of Multiples You Carried During the Last 5 Years

Option B Reduces at Age 65, or Retirement, if Later, by 2% per Month until it Reaches \$0, if you Do Not Elect to Continue it.

Cost is: \$0.498 per \$1000 per Month (Ages 55 – 59)
\$1.127 per \$1000 per Month (Ages 60 – 64)
\$1.343 per \$1000 per Month (Ages 65-69)
\$2.470 per \$1000 per Month (Ages 70-74)
\$3.900 per \$1000 per Month (Ages 75-79)
\$5.200 per \$1000 per Month (Ages 80 +)

**YOU MAY NOW RETAIN
OPTION B AND OPTION C
AFTER AGE 65
BY PAYING AN ADDITIONAL
PREMIUM**

OPTION C (FAMILY) SPOUSE AND CHILDREN

May be Retained in Retirement if you have been Enrolled in **OPTION C** for the 5 Years Immediately Preceding Retirement or Since Your First Opportunity to Enroll

Option C Reduces at age 65 or Retirement, if Later, by 2% per Month until it Reaches \$0, if you Do Not Elect to Continue it.

Cost is: \$3.29 per multiple per Month (Ages 55 – 59)
\$5.85 per multiple per Month (Ages 60 – 64)
\$6.80 per multiple per Month (Ages 65 – 69)
\$7.80 per multiple per Month (Ages 70 – 74)
\$10.40 per multiple per Month (Ages 75 – 79)
\$14.30 per multiple per Month (Ages 80 +)

LIFE EVENTS

If you Already have **BASIC**, you may Elect **Option B** or Increase your Multiples of **Option B** and/or Elect **Option C**, or Increase Your Multiples of **Option C** based on a Life Event

Life Event	<u>Option B Multiples You May Elect</u> (Up to 5 Total)	<u>Option C Multiples You May Elect</u> (Up to 5 Total)	<u>Effective Dates</u>
Marriage	The number of Family members (spouse and eligible children*) you gain from the marriage		If you submit SF-2817 before the event: date of event AND , for Option B you are in a Pay and Duty Status
Divorce	The total number of eligible children	Acquiring a foster child counts as a life event for Option C purposes	If you submit SF-2817 after the event: date Human Resources Office receives form AND for Option B, you are in a Pay and Duty Status
Death of Spouse	The Total number of eligible children		
Children	The Total number of eligible children* acquired in this event		Time Limit: within 60 calendar days after date of event.

*Acquiring a **foster child** does not count as a life event for Option B purposes.

If I don't Already have this Coverage, When Can I Get It?

	<u>Open Enrollment</u>	<u>Wait a Year and Submit Acceptable Results of Phys. Exam.</u>	<u>Experience a Qualified Life Event</u>
BASIC	Depends on details of Open Enrollment	YES	NO
OPTION A*	Same as Basic	YES	NO
OPTION B*	Same as Basic	YES	YES
OPTION C*	Same as Basic	NO	YES

*You must have Basic in order to elect any Optional Insurance.

FEDERAL EMPLOYEES HEALTH BENEFITS DURING EMPLOYMENT

The Federal Employees Health Benefits program (FEHB) Offers a Practical Way to help meet the Costs of Health Care.

The Program provides:

- 1) A Choice of Plans and Options;
- 2) A Government contribution of up to 75% of the Cost of Your Premium;
- 3) Payments for Your Share of the Premium through Payroll Deduction
- 4) Immediate coverage from the Date of Enrollment without a Medical Examination or Restrictions because of Your Age or Condition;
- 5) The Opportunity for Temporary Continuation of Coverage (TCC) or Conversion to Nongroup Coverage if Your Enrollment ends or a Covered Family Member loses Eligibility for Coverage;
- 6) For Continued Protection for You and Your Eligible Family Members After Your Retirement and/or Death, if Certain Conditions are Met.
- 7) Premium conversion – premiums are deducted before the application of taxes resulting in a lower taxable gross income each pay period.

Open Seasons are Conducted for 4 Weeks in **November** and **December** each Year with Effective Dates the Following **January**. **Enrollment and all Changes are allowed.**

Other Events which Allow some Change include **Marriage, Birth of a Child, Divorce, Transfer Out of a Servicing Area, etc.**

PRE-ADMISSION CERTIFICATION

Always Remember to Confirm that your Doctor has Checked with Your Plan before You are Admitted to the Hospital. Failure to do so Could Result in Reduced Benefits of \$500.

CLAIM DENIAL

If you have a Claim Denied, You have the Right to Reconsideration by the Plan and upon a Second Denial can Appeal to the **Office of Personnel Management (OPM)** in Washington, D.C. Your Appeal must be Filed within 90 Days of the Plan's Second Denial.

It Should Include All Claim Forms, Bills, Receipts and Correspondence Related to the Claim. Include A Statement of Willingness to Allow the Release Of Medical Evidence to **OPM**, if necessary, and Mail it to:

**Office of Personnel Management
Office of Insurance Programs
P.O. Box 436
Washington, D.C. 20044**

FEDERAL EMPLOYEES HEALTH BENEFITS AFTER RETIREMENT

You May Retain the Federal Employees Health Benefits (FEHB) coverage in Retirement if You have been Enrolled for at least the 5 Years Immediately Preceding Retirement or Since Your First Opportunity to Enroll.

The Federal Government will Continue to Pay its Share of the Premium at the **Same Rate** as it Does for Currently Employed Workers

As a Retiree, You will have the **Same Rights and Privileges** as Outlined for the Currently Employed Workforce.

EXCEPT: Retirees are not entitled to Premium Conversion (the pre-tax application of Health insurance premiums) nor can they reenter the FEHB after opting out, for reasons other than enrollment in a Medicare-related gap plan.

Always Remember that Health Benefits Coverage for Your Spouse, after Your Death, Depends upon the Existence of a Retirement Survivor Annuity.

If You Die Before Your Spouse and You Did Not Provide a Retirement Survivor Annuity for Them When You Retired, The Health Benefits Coverage will End With Your Death

If Your Spouse has Good Current Health Coverage Through an Employer in the Private Sector and You are Carried as a Dependent on his or her Policy, You might want to Find Out What Sort of Benefits that Private Employer Provides for its Retirees and Their Families.

Oftentimes, the Private Employer will Eliminate the Spouse (you) upon Their Employee's Retirement, or will Reduce Significantly the Benefits Available to Both.

Since the Government Does Not Draw this Distinction Between Worker and Retiree, You May Wish to Enroll in an Inexpensive FEHB Plan, just to Establish Your FEHB Retention Through 5 Years of Coverage Preceding Retirement.

Then, During any Open Season, or Upon Your Spouse's Retirement, if They Lose Their Coverage, You Can Bring Them Into FEHB as a Family Member, Paying the Same Premium as if They had been Covered Members all of Your Career.

LONG TERM CARE INSURANCE FOR THE FEDERAL FAMILY

FOR: Employees and their spouses, adult children (including adopted and stepchildren), and their parents, parents-in-law and stepparents.
Annuitants, their spouses and adult children (including adopted and stepchildren)

CHOICES: **Maximum Benefit** (Daily or Weekly)
Length of Policy (3-year, 5-year or Lifetime)
Waiting Period (90-day or 30-day)
Type of Inflation Protection (Compound or Future Purchase)

BENEFIT LEVELS: **Institutional Care** (Nursing Home, Assisted Living, Hospice Care) (100% rate)
Home Care (Home Health Care, Adult Day Care) (75% rate)

PREMIUMS: Based on age at time you buy the insurance

Based on choices you make from **Maximum Benefit; Length of Policy; Waiting Period; Type of Inflation Protection.**

You will pay 100% of the premium with OPM hoping to negotiate a 15-20% discount based on the size of the “Federal Family”. OPM as the employer-sponsor would assure policy evolution as long-term care services change. What you buy today will still be contemporary contemporary 30 years from now.

Premiums are the same for employee and annuitant at any given age.

BENEFITS START: When you satisfy your waiting period; and
Cannot perform 2 of the 6 Activities of Daily Living for 90 days or More, (Eating, Bathing, Dressing, Toileting, Moving, Bladder/Bowel Control) or;
You have a severe cognitive impairment (Alzheimer’s Disease).

No premiums to pay while receiving benefits

TAX TREATMENT: Benefits received are not taxable and premium costs exceeding 7.5% of Adjusted Gross Income are tax deductible. Congress is considering making them fully deductible. Some states already provide State tax deductibility.

UNDERWRITING: **Short-form** for employees and spouses with several general health-related questions.
Full for everyone else with numerous health-related questions, a review of medical records and/or a personal interview.

INSURERS: are LTC Partners team of **MetLife and John Hancock**

DIVORCE APPORTIONMENT

Benefits from Retirement and the Thrift Savings Plan can be Attached through a Divorce Settlement. Life Insurance Proceeds can be Affected through Assignment.

Apportionment Simply Means that after Your Retirement a Portion of Your Annuity Can be Required to be Sent to Your Former Spouse.

By Law, the Office of Personnel Management (OPM) Must Honor a Court Order

Your Attorneys can Explore Alternatives to the Apportionment (e.g. Buyouts), if You Do Not Want Your Benefits Affected.

The Controller is the Language of the Court Order Granting the Divorce.

If it Provides for Apportionment, Then Your Former Spouse will Receive a Portion of Your Retirement Annuity when You Retire.

<p>CSRS or CSRS-OFFSET or FERS Public Law 95-366 September 15, 1978</p>
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“Handbook for Attorneys on Court Ordered Benefits”

Now available only on the Internet at

www.opm.gov/retire/pubs/pamphlets/list.asp

OPM Must Divide Annuity Benefits to the Extent Expressly Provided for in the Terms of

- 1) Any Decree of Divorce
- 2) Annulment, or
- 3) Legal Separation, or
- 4) Any Court Order or Court Approved Property Settlement Agreement Incident to any Court Decree of Divorce, Annulment, or Legal Separation

DIVORCE SPOUSE EQUITY (SURVIVOR)

Benefits from Retirement and the Thrift Savings Plan can be Attached through a Divorce Settlement. Life Insurance Proceeds can be Affected through Assignment.

Spouse Equity (Survivor) Simply Means that Upon Your Death an Annuity Benefit Can be Required to be Sent to Your Former Spouse.

By Law, the Office of Personnel Management (OPM) **Must Honor a Court Order.**

Your Attorneys can Explore Alternatives to the Survivor Annuity (e.g. Buyouts), if You Do Not Want Your Benefits Affected.

The Controller is the Language of the Court Order Granting the Divorce.

If it Provides for Survivor Benefits, then Your Former Spouse will Receive Survivor Benefits Upon Your Death.

<p>CSRS or CSRS-OFFSET or FERS Public Law 98-615 November 8, 1984</p>
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“Handbook for Attorney on Court Ordered Benefits”

Now available only on the Internet at
www.opm.gov/retire/pubs/pamphlets/list.asp

In Addition to the Court Order Controlling Disposition of the Survivor Benefits, the Following Conditions Must Also be Met:

- 1) The former Spouse Must have been Married at Least 9 Months to the Individual Who Performed at Least 18 Months of Creditable Service Under the Retirement System;
- 2) The Marriage was Dissolved Before the Death of the Federal Employee;
- 3) After the Dissolution, the Former Spouse has not Remarried Before Age 55;
- 4) And The Federal Employee Predeceases the Former Spouse.

In Court Settlements Providing for Apportionment and/or Survivor Benefits, Former Spouses are now entitled to **Group FEHB Health Coverage** at the Combined Cost of the Employee's Contribution, Employer's Contribution and a Small Administrative Charge.

SURVIVOR BENEFITS (FERS) DEATH AFTER RETIREMENT

Cost to the Employee is: 10% of Your Annuity to Provide Your Spouse with 50%
OR
10% of One-half Your Annuity to Provide Spouse with 25%
OR
No Provision At All

Annuity of \$30,000

Reduction of 10% of \$30,000 = \$3,000
\$30,000 minus \$3,000 = \$27,000

Your Annuity = (\$30,000 minus \$3,000) = \$27,000 per Year

Survivor Annuity = 50% of \$30,000 = \$15,000 Upon Your Death

In Addition, Social Security Benefits are Payable. If the Spouse is Too Young To Qualify, the Office of Personnel Management Calculates a Supplemental Payment Based on the Lesser of What Social Security would have Paid Versus the Annuity Benefit Under CSRS Rules Minus the FERS Benefit.

ANYTHING LESS THAN FULL SURVIVOR BENEFITS WILL REQUIRE YOUR SPOUSE'S APPROVAL IN WRITING

If You are Married at Retirement and Do Not Provide Full Survivor Benefits, You will have 18 Months in Which to Change Your Mind. If You Do Change Your Mind, You will be Billed for Past Reductions Back to the Date of Retirement, Plus a Hefty Administrative Fee.

If You are Single at Retirement and Marry Later, You will have 24 Months in Which to Choose a Survivor Annuity for Your New Spouse. If You Do, You will be Billed for Past Reductions Back to the Date of Retirement (as if You had been Married then), Plus an Administrative Fee.

If You and Your Spouse are Both Federal Employees, You may Each Draw Your Own Annuity, Plus Survivor Benefits from the Other. If You were to Marry a Succession of Federal Employees, all of Whom Predeceased You, You Would Only be Entitled to the Highest Survivor Benefit Among Them.

The Most Important Thing to Keep in Mind is that If There is No Survivor Annuity And You, the Federal Employee Die First, Your Health Benefits Die With You.

After Your Death, Health Benefits for Your Spouse convey ONLY Through the Survivor Annuity.

QUESTIONS TO ASK IN DECIDING TO ELECT A SURVIVOR ANNUITY

- 1) Do You have a Survivor Eligible for Annuity?**
- 2) What Will it Cost in Reduction to Your Annuity to Provide a Survivor Benefit?**
- 3) Is Your Spouse Entitled to Income on Their Own?**
- 4) Will Your Spouse Agree to No Survivor Benefit or a Reduced One?**
- 5) Have You Been Married Before, and has the Court Awarded Your Former Spouse Survivor Benefits?**
- 6) Would an “Insurable Interest” Annuity Be In Order?**
- 7) Could a Survivor Annuity Reduce or Eliminate Some Other Benefit Your Spouse Will Receive?**
- 8) WILL YOUR SPOUSE HAVE FEHB IF YOU DO NOT PROVIDE A SURVIVOR ANNUITY?**

WEB PAGE REFERRALS

www.opm.gov

Office of Personnel Management

Excellent Resource for All Questions Related to Your Status as A Federal Employee

Also has Calculators for Figuring Future Annuity and Life Insurance Coverages and Cost

www.tsp.gov

Thrift Savings Plan

Excellent Resource for All Questions Related to Your Thrift Savings Plan

Also has Calculators for Projecting Future TSP Balances And Allows Access to Your Account (with PIN #) To Transfer Funds and Check Balances

www.ssa.gov

Social Security Administration

Excellent Resource for Social Security Related Questions, Including Medicare

www.publicdebt.treas.gov

Savings Bonds

Excellent Resource for Savings Bond Information

Also has Calculator for Recording and Figuring Interest on Currently Held Bonds

www.narfe.org

National Active and Retired Federal Employees

Excellent Organization Devoted to the Federal Employee. All Can Join (Retired or Working) Tracks Legislation Which Affects Federal Employees and Lobbies for Feds

www.fedweek.com

FedWeek Electronic Newsletter

Free e-mail Delivery Every Wednesday Keeps You Aware of Current Federal Employment Activities and Benefits Legislation

GOVERNMENT ACRONYMS and FORM NUMBERS

FEGLI – Federal Employees Group Life Insurance

SF 2818, Continuation of Life Insurance Coverage (after retirement)
BASIC, value based on salary rounded to next higher thousand plus \$2,000
OPTION A, (Standard), \$10,000 face value
OPTION B, One to Five times Basic Salary
OPTION C, Coverage for Spouse and Children
SF 2823, Designation of Beneficiary

FEHB – Federal Employees Health Benefits

SF 2809, Enrollment or Change Form

CSRS – Civil Service Retirement System

SF 2801, Application for Immediate Retirement
SF 2808, Designation of Beneficiary for Retirement Contributions

FERS – Federal Employees Retirement System

SF 3107, Application for Immediate Retirement
SF 3102, Designation of Beneficiary for Retirement Contributions

TSP – Thrift Savings Plan

TSP-1, Enrollment or Change Form
TSP-3, Designation of Beneficiary
TSP-30, Interfund Transfer Request

SSA – Social Security Administration

WEP - Windfall Elimination Provision
PPO - Public Pension Offset, sometimes GPO – Government Pension Offset
QCs – Quarters of Coverage, now called Credits
AIME – Average Indexed Monthly Earnings
PIA – Primary Insurance Amount

Designation of Beneficiary for Unpaid Compensation

(Payment for Last Salary Check and Annual Leave in the event of Employee Death in Service). Form number varies from Department to Department.